

CAMPAIGN SPENDING COMMISSION

STATE OF HAWAII

In Re the Matter of)	CA 03-32
)	
ROYAL CONTRACTING CO., LTD.,)	
David H. Hulihee and Leonard K.P.)	
Leong,)	
)	
Respondents.)	
_____)	

CONCILIATION AGREEMENT

On or around September 2002, Robert Y. Watada, Executive Director for the Campaign Spending Commission ("Commission"), initiated an investigation of Respondents, Royal Contracting Co., Ltd. ("Royal") and its president, David H. Hulihee and vice-president, Leonard K.P. Leong. Business Registration Division records list Royal's purpose as general contracting, whose business address is 677 Ahua Street, Honolulu, Hawaii. The investigation was initiated pursuant to the express authority of section 11-193, Hawaii Revised Statutes ("HRS"), for a determination of whether the campaign spending law had been violated and a complaint would be submitted to the Commission.

NOW, THEREFORE, Royal and the Commission, having entered into conciliation and pursuant to section 11-216(g), HRS, do hereby agree as follows:

- I. That the Commission has jurisdiction over Respondents and the subject matter of this administrative action.
- II. That this Conciliation Agreement ("Agreement") and upon complete performance of the conditions stated herein has the effect of remedial or

corrective action taken by Respondents pursuant to section 11-216(g),
HRS.

- III. That Respondents have had a reasonable opportunity to demonstrate that no action should be taken in this matter.
- IV. That Respondents waive the right to be heard at a public hearing conducted under chapter 91, HRS, pursuant to section 11-228(b), HRS.
- V. That Respondents enter into this Agreement with the Commission on their own volition and with full knowledge and understanding.
- VI. That parties agree to the pertinent facts as follows:
 - 1. On or around September 2002, Robert Y. Watada, in his capacity as Executive Director of the Campaign Spending Commission, and upon information received through the disclosure statements of candidate campaign committees including:
 - a. Andy Anderson ("Anderson")
 - b. Jeremy Harris ("Harris")
 - c. Mufi Hannemann ("Hannemann")initiated an investigation involving excess contributions in violation of particular campaign finance statutes.
 - 2. Section 11-204(a)(1)(B), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to: A candidate seeking nomination or election to a four-year statewide office or to the candidate's committee in an aggregate amount greater than \$6,000 during an election period.

3. Section 11-204(a)(1)(C), HRS, reads in part as follows: No person, other than a candidate for the candidate's own campaign, or any other entity shall make contributions to: A candidate seeking nomination or election to a four-year nonstatewide office or to the candidate's committee in an aggregate amount greater than \$4,000 during an election period.
4. Section 11-204(h), HRS, reads in part as follows:...an individual and any corporation in which the individual owns a controlling interest, shall be treated as one person.
5. Section 11-202, HRS, reads in part as follows: No person shall make a contribution of the person's own money or property, or money or property of another person to any candidate, party or committee in connection with a nomination for election, or election in any name other than the true name of the person who owns the money or who supplied the money or property.
6. The Commission finds that officers of Royal made contributions to Anderson in the amount of \$15,000:

David C. Hulihee	7/2002	\$5,000
Edwin S. Hulihee	7/2002	\$5,000
Leonard K.P. Leong	7/2002	\$5,000

7. The Commission finds that family members, officers and employees of Royal made contributions to Harris in the amount of \$27,000.

Randall D. Akiona	7/1996	\$1,000
Lisa Ann Leong	7/1996	\$ 900

Lisa Ann Leong	7/1996	\$1,000
Lisa Ann Leong		\$ 100
Wally W.H. Leong		\$2,000
Randall D. Akiona	8/1996	\$1,000
Lisa Ann Leong	8/1997	\$1,000
Wally W.H. Leong		\$2,000
Sherrilynn S. Leong		\$2,000
David C. Hulihee	6/1998	\$2,000
Leonard K.P. Leong	6/1999	\$2,000
Lisa Ann Leong		\$2,000
Sherrilynn Leong		\$2,000
Leonard K.P. Leong	12/1999	\$2,000
Lisa Ann Leong		\$1,000
Paul K. Leong	9/2000	\$1,000
Leonard K.P. Leong	12/2001	\$2,000
Sherrilynn Leong		\$2,000

8. The Commission finds that family members, officers and employees of Royal made contributions to Hannemann in the amount of \$12,300.

Sherrilynn Leong	12/1997	\$ 750
Leonard K.P. Leong		\$ 750
Leonard K.P. Leong		\$ 50
Leonard K.P. Leong		\$ 125
Sherrilynn Leong		\$ 125
David C. Hulihee		\$1,500
David C. Hulihee	6/1998	\$ 500
Sherrilynn Leong	8/1998	\$ 500
Sherrilynn Leong		\$ 250
Leonard Leong		\$ 250
Leonard Leong		\$ 500
David C. Hulihee	4/2000	\$1,000
Jan Aiona		\$1,000
Cynthia C. Endo		\$1,000
Joyce Furukawa		\$1,000
David C. Hulihee	6/2001	\$2,000
Leonard K.P. Leong		\$1,000

9. Royal failed to file an organizational report pursuant to section 11-194, HRS.

10. Royal failed to file disclosure reports on state and county contracts pursuant to section 11-205.5, HRS.
11. Royal failed to file disclosure reports pursuant to sections 11-212 and 11-213, HRS.

VII. Settlement Terms

As final settlement of the matter and issues in Conciliation Agreement #03-32, Royal understands and agrees to the following:

- (A) Royal agrees to an assessment of **Twenty Thousand Dollars (\$20,000)** pursuant to section 11-228, HRS.
 - (1) For violation of section 11-202, HRS, making false name campaign contributions to the Harris and Hannemann campaign committees;
 - (2) For violation of section 11-204, HRS, making excess campaign contributions to the Anderson and Harris campaign committees for the election period following the 2000 election period; and
 - (3) For failure to file an organizational report and required disclosure reports pursuant to sections 11-194, 11-205.5, 11-212 and 11-213, HRS.
- (B) Royal agrees to comply with campaign finance statutes on contribution and expenditures to candidate committees.
- (C) Terms of payment of the assessment shall be by Order of the Commission.

- VIII. The Commission upon its own motion or a written request of anyone filing a complaint under section 11-216, HRS, may review compliance with the Agreement. If the Commission believes that the Agreement has been violated, it may institute administrative proceedings or a civil action in the Circuit Court of the First Circuit pursuant to section 11-228(c), HRS.
- IX. This Agreement shall become effective as of the date that all parties have signed and the Commission has approved the entire Agreement.
- X. This Agreement constitutes the entire agreement between the Commission and Royal on the matters raised herein, and no other statement, promise, or agreement, either in writing or oral, not contained in this Agreement made by either party or by agents of either party shall be enforceable.
- XI. This Agreement, unless violated, shall be a complete bar to any further action by the Commission with respect to the violations at issue in this matter.

FOR THE COMMISSION:

Robert Y. Watada, Executive Director

By: _____

Date: _____

FOR THE RESPONDENT(S)

Leonard K.P. Leong

By: _____

(Name)

(Title)

Date: _____